

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF UNITED STATES POSTAL SERVICE
WITNESS DAVID WILLIAMS
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES
(APWU/USPS-T1-1 and 2)**

The United States Postal Service hereby files the responses of witness David Williams to the above-listed interrogatories of the American Postal Workers Union dated December 22, 2011. Each interrogatory is stated verbatim and followed by the response. Interrogatories APWU/USPS-T1-3 and 4 have been redirected to the Postal Service which will file institutional responses.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Anthony F. Alverno, Jr.
Chief Counsel, Global Business

Michael T. Tidwell

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-2998; Fax -5402
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**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS WILLIAMS
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T1-1 On page 10 of your testimony you state "The Postal Service has determined that, in order for the planned mail processing consolidations to generate significant cost savings, changes to the existing inter-plant transportation must be made that necessitate changes to existing service standards."

- (a) Has the Postal Service assessed whether some subset of the consolidations and transportation changes proposed under this plan could take place that would reduce costs but also allow most of the current service standards to be maintained?
- (b) If so, what did that assessment show?
- (c) If the assessment in (a) has not been done, why has it not been done?

RESPONSE

- (a) See my response to GCA/USPS-T1-1(a).
- (b) See my response to GCA/USPS-T1-1(a).
- (c) N/A

**RESPONSE OF UNITED STATES POSTAL SERVICE
WITNESS WILLIAMS
TO AMERICAN POSTAL WORKERS UNION INTERROGATORY**

APWU/USPS-T1-2 Mr. Masse's testimony indicates that the Postal Service anticipates it could save, on net, \$2.1 billion per year from a full implementation of this plan. However, past experience indicates not all the AMP studies will produce recommendations to consolidate.

- (a) How much does the Postal Service actually expect to save once the AMPs have been fully evaluated?
- (b) Do you expect the anticipated loss (2.9 billion pieces and \$0.5 billion in contribution) to be reduced if fewer facilities are consolidated?

RESPONSE

- (a) The \$2.1 billion per year estimate represents the Postal Service's estimate of the net savings associated with the general network concept described in this docket, without knowing the outcome of each facility-specific AMP determination that will ultimately be made. The AMPs will be fully evaluated at the conclusion of the post-implementation review process. As for recent past experience, a comparison between Postal Service and USPS Office of Inspector General AMP cost savings estimates suggests that the former tend to be on the conservative side. See USPS Library Reference N2012-1/42.
- (b) [Redirected to witness Whiteman for response.]